



ECONOMIC
LEADERSHIP

How Transportation Infrastructure Investments Stimulate Economic Development in NC



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L E A D E R S H I P

Competitive Analysis

Trendspotting

Economic & Workforce Strategy

Fiscal Impact Analysis

State and Local Policy



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How Transportation Infrastructure Investments Stimulate Economic Development in NC

Direct Impact-Jobs

Accommodates Growth

Maintains/Increases Competitiveness

Increases Opportunity

The Direct Impact

- Jobs
- Salaries





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Maintains/Increases Competitiveness

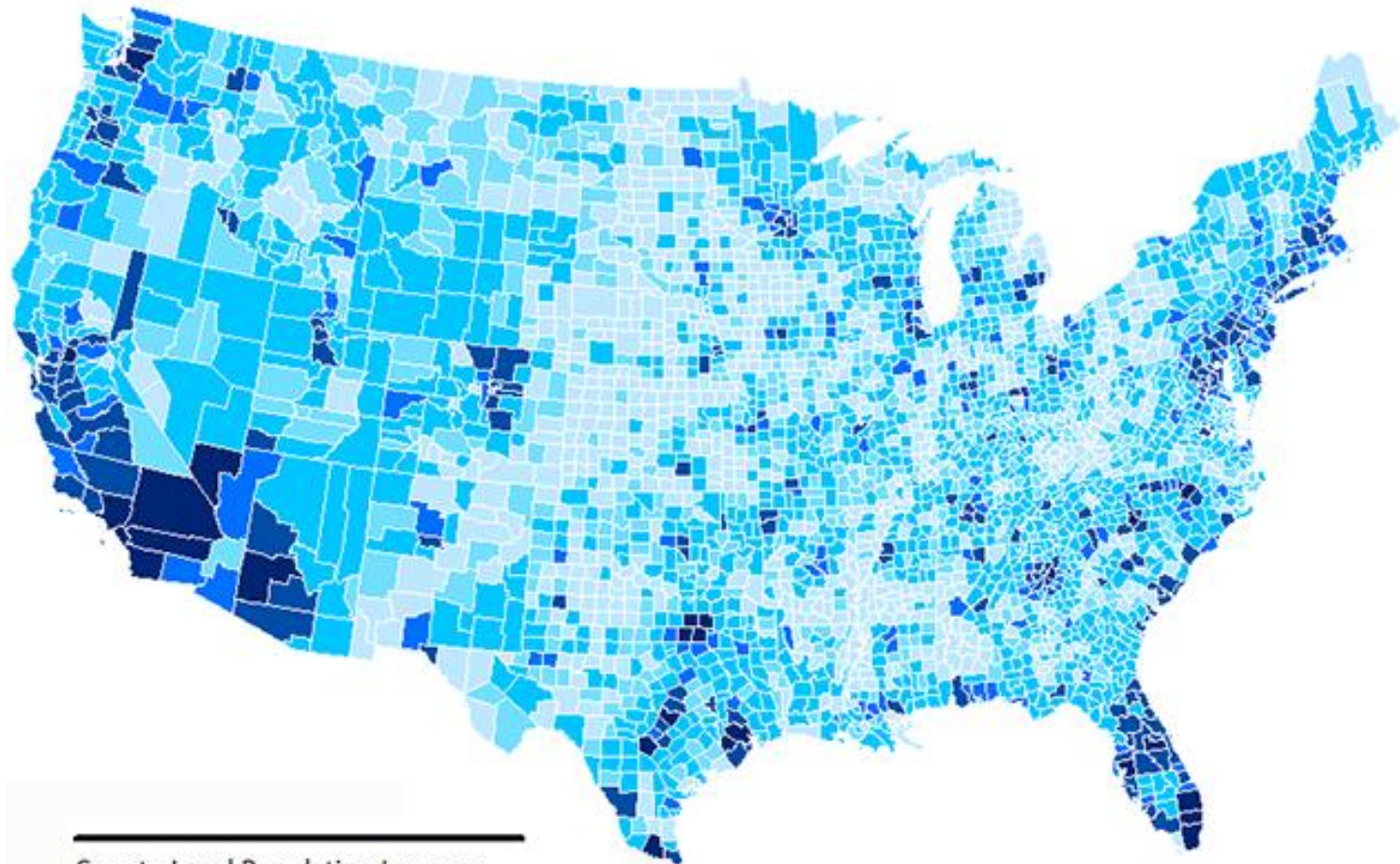
Increases Opportunity

Our 10 million people are expected
to be 12 million by 2030



Growth

County Population Growth, 2000 through July 2014

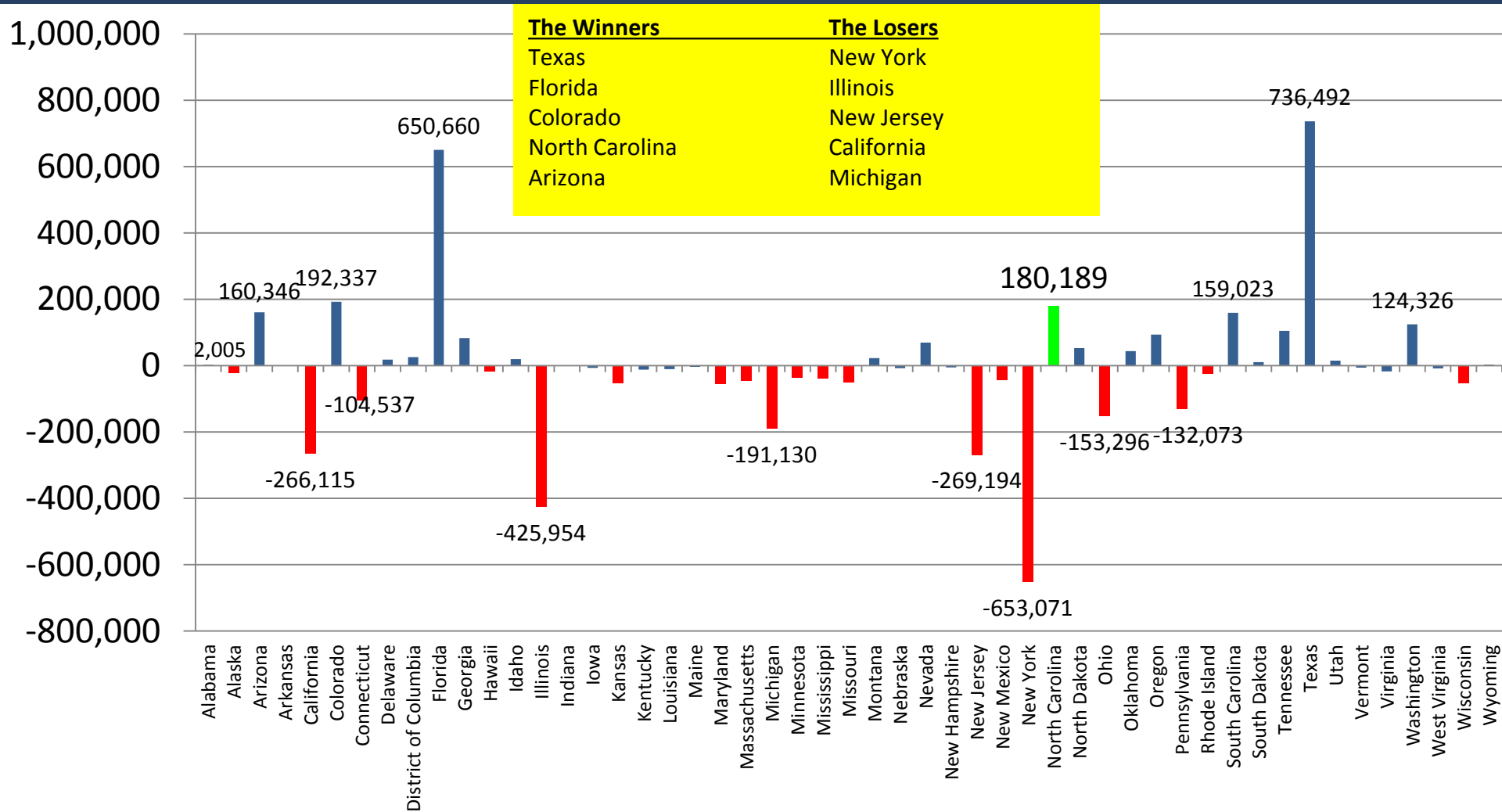


County-Level Population Increase

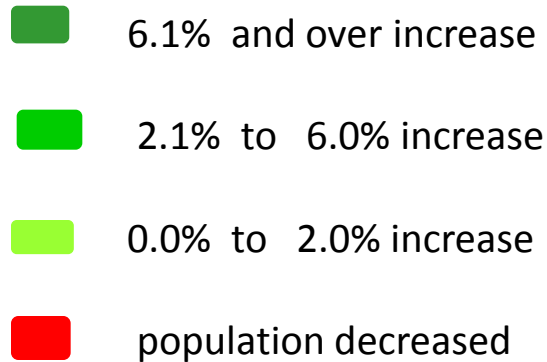
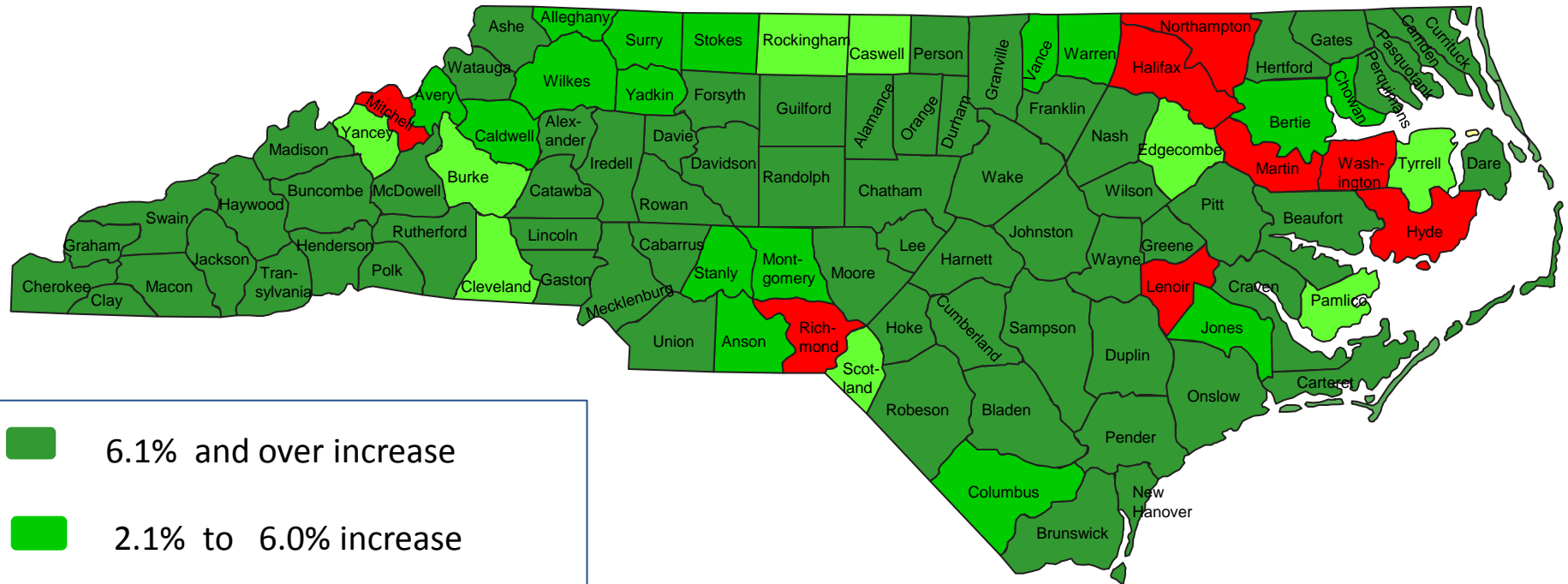
Population Growth, 2000 to 2014



Domestic Migration 2010-2015 for All States



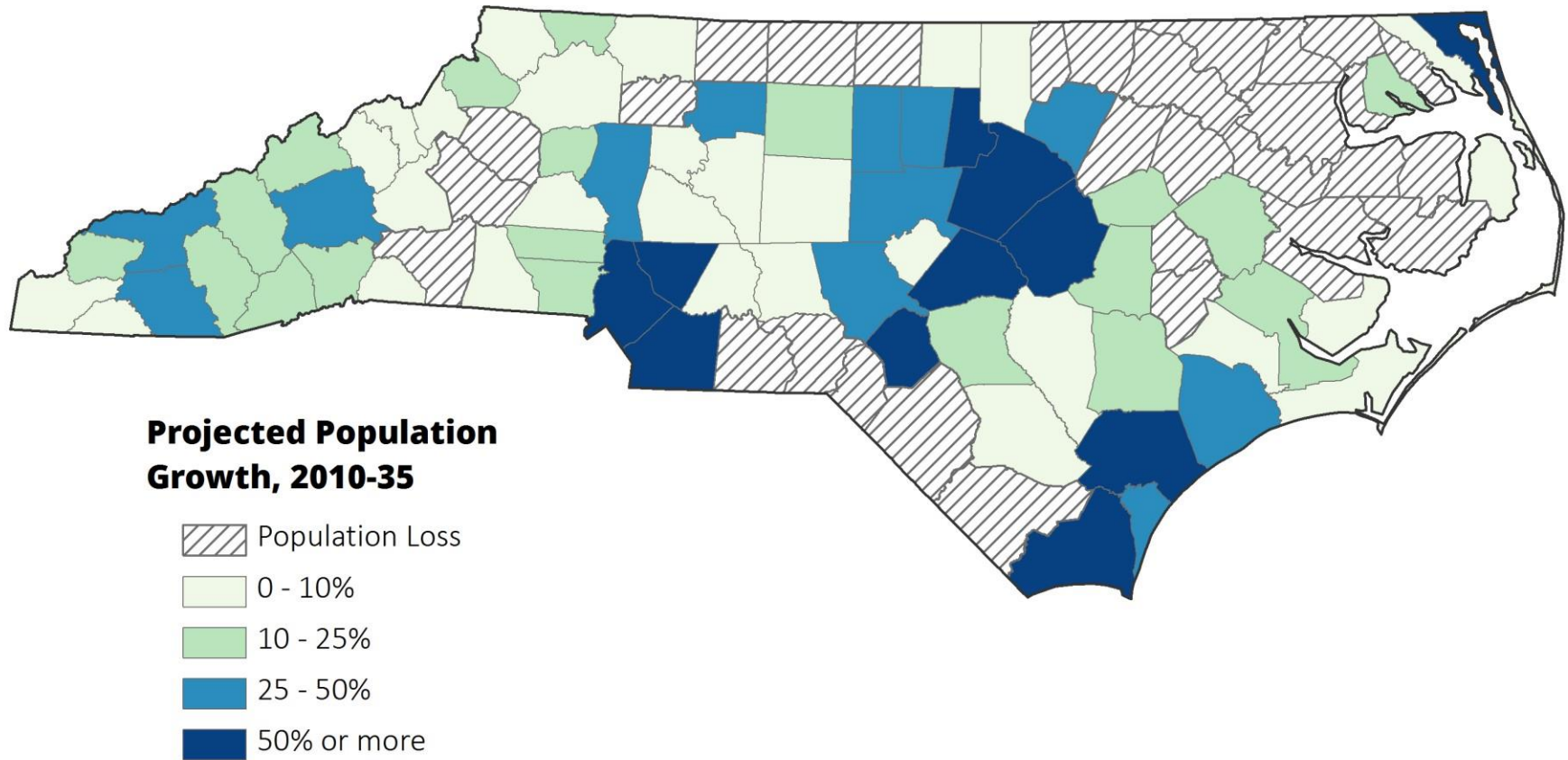
North Carolina Change in Population 2000 to 2013



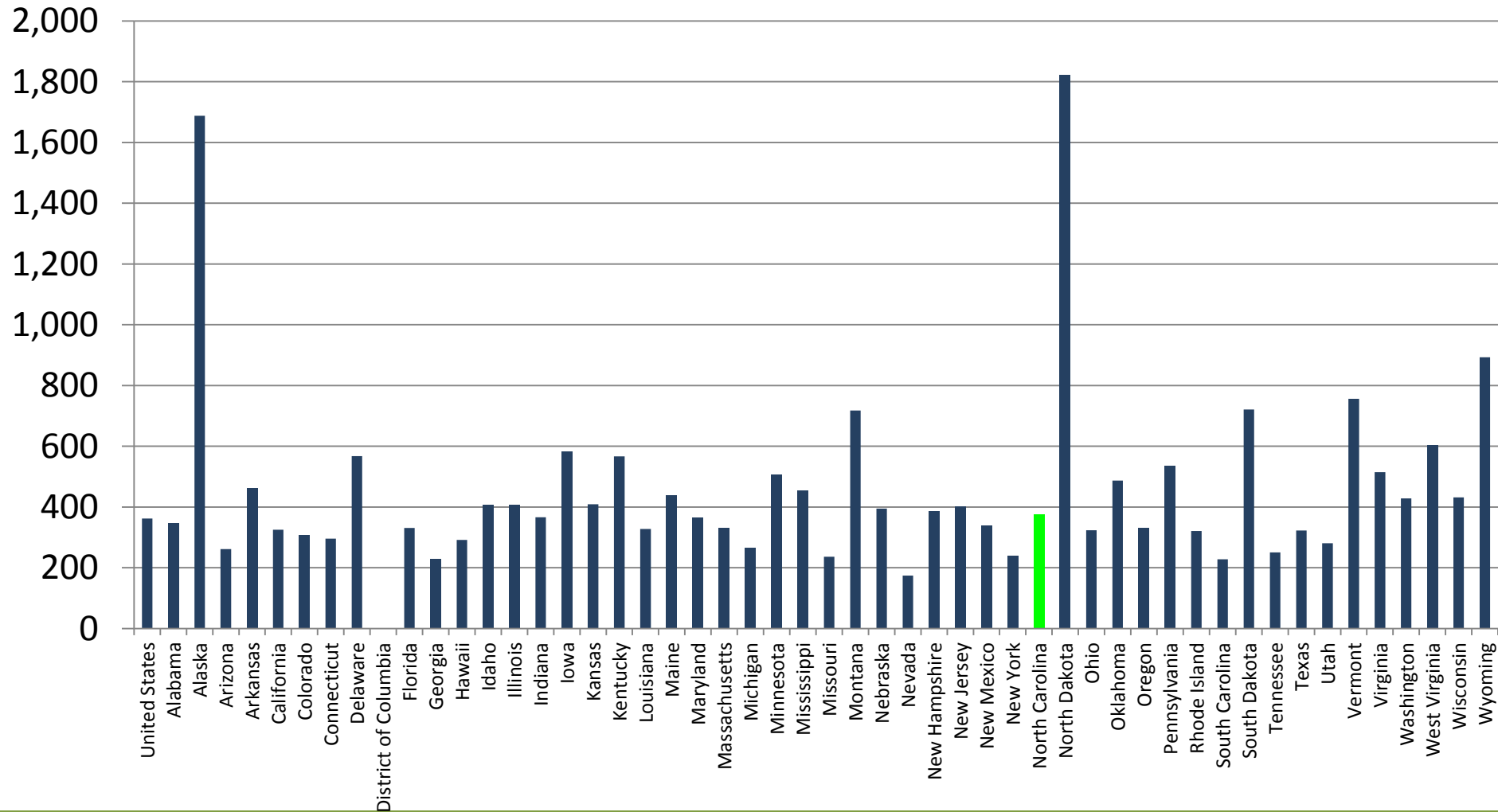
Source: NC Office of State Budget and Management

Population Growth Will Be Uneven Across North Carolina

Projected population growth, 2010-2035

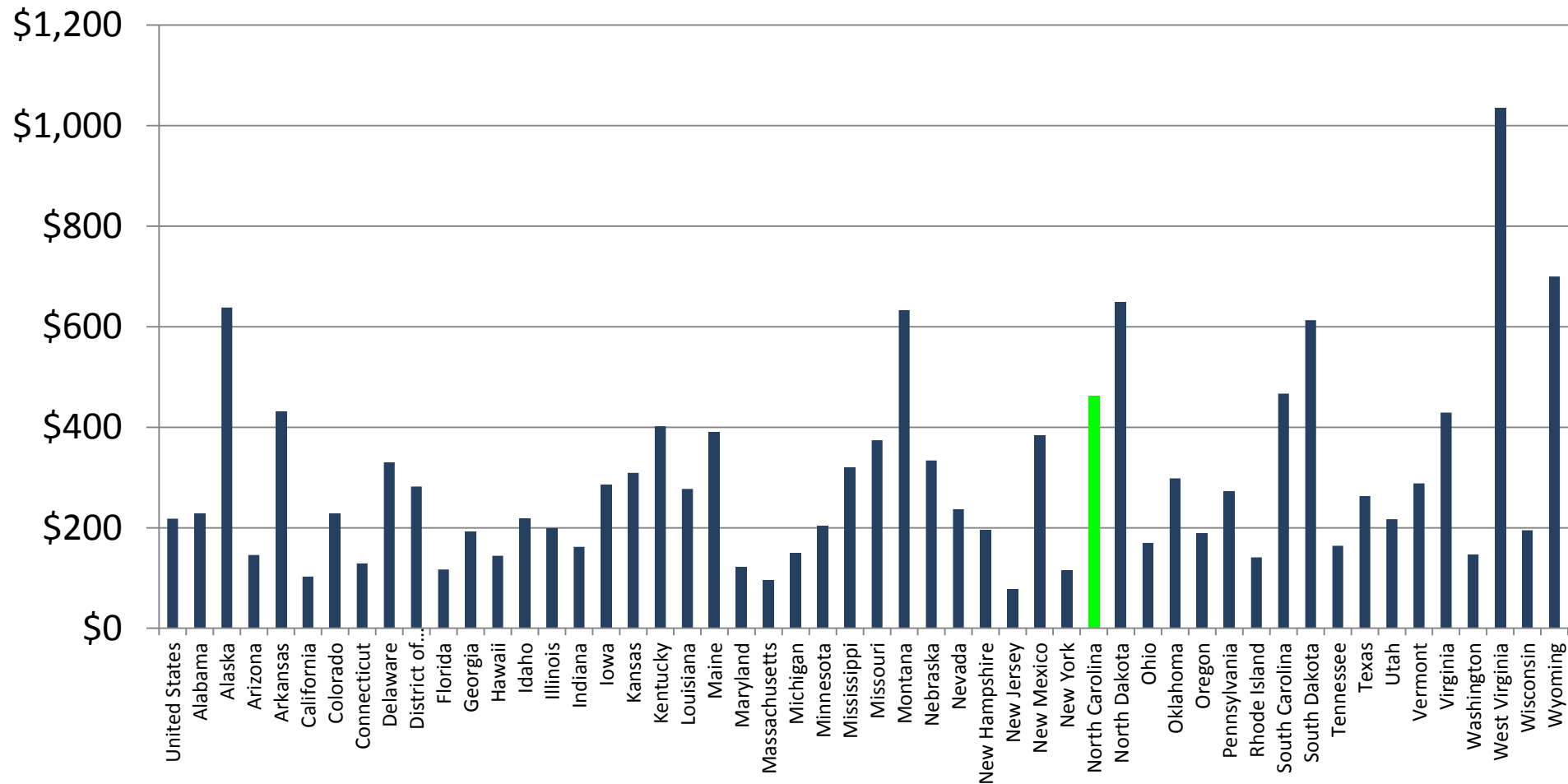


Total Highway Spending Per Capita for All States (2014)

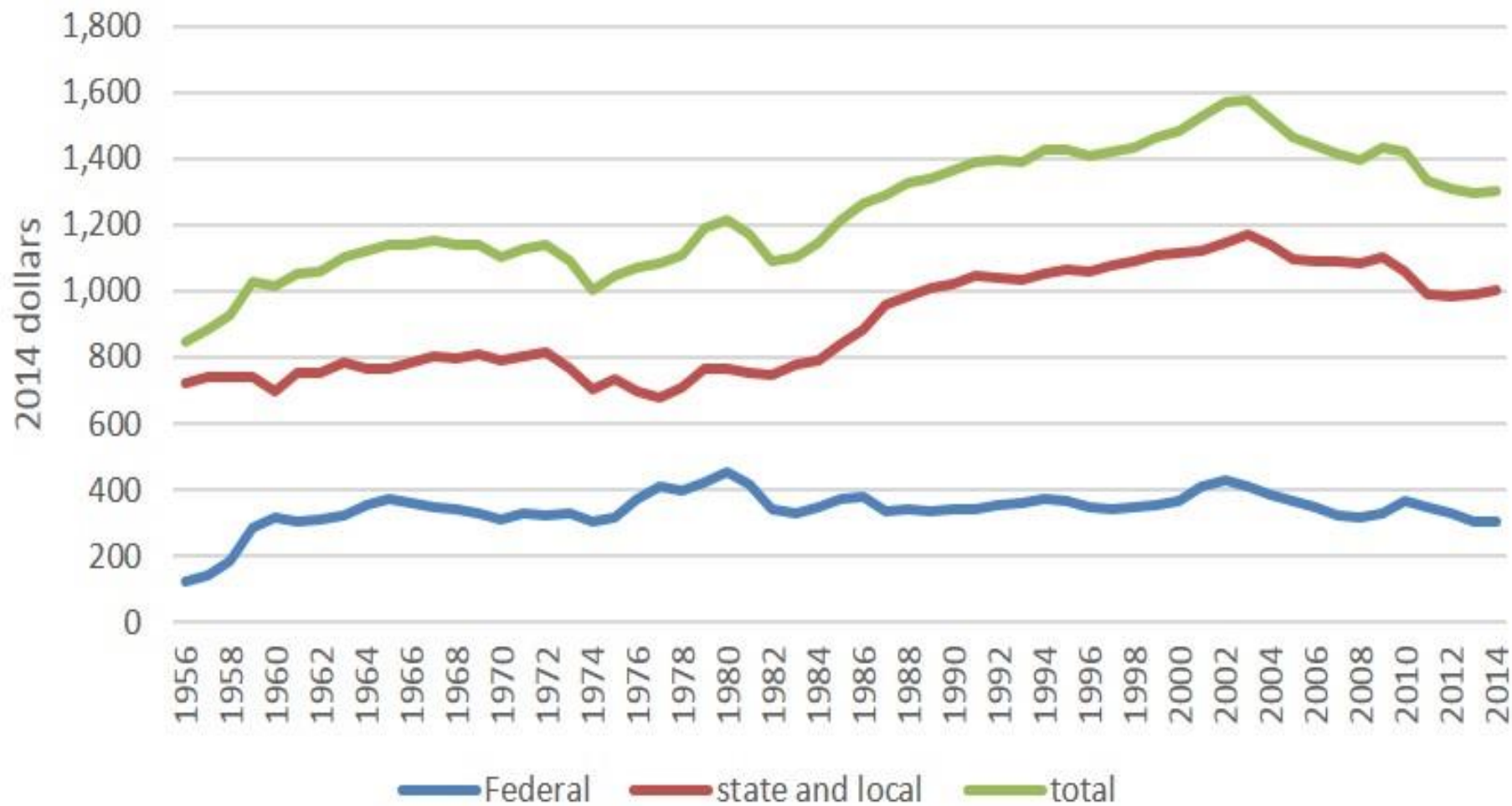




Total Annual Infrastructure Need for Road Repair, Clean Water, and Airports Per Capita (2013-2017)

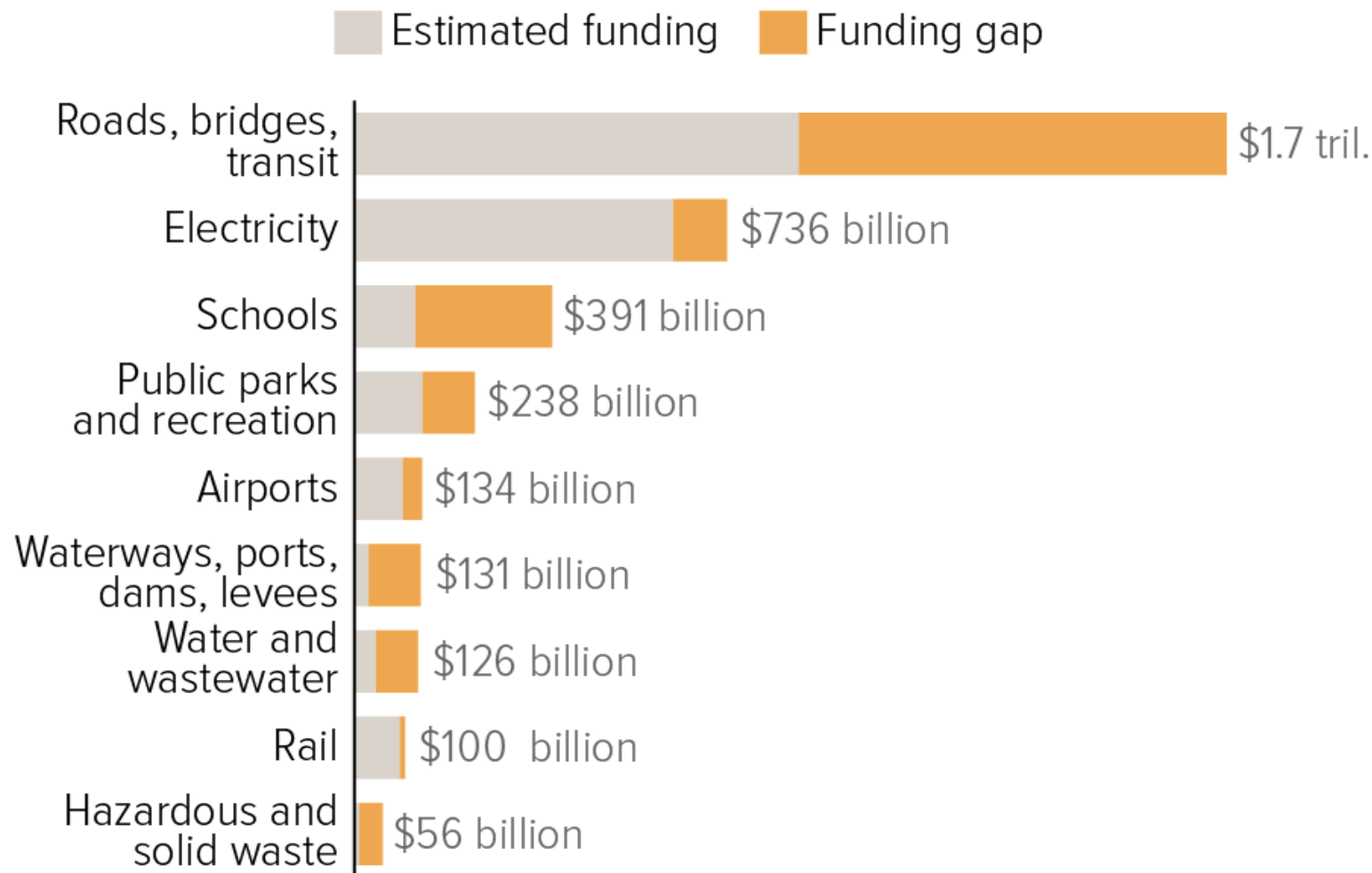


US Infrastructure Spending per capita 1956 - 2014



Public Infrastructure Has Been Neglected

Infrastructure needs, funded and unfunded, 2013-2020

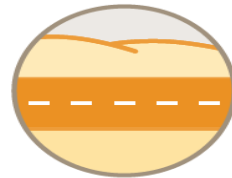


Source: American Society of Civil Engineers 2013 Report Card for American Infrastructure and Failure to Act series, published 2011-2013



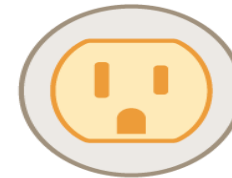
The Nation's Infrastructure Needs Improvement

American Society of Civil Engineers gave U.S. public infrastructure a D+ or “poor” rating in its most recent report. The engineers estimated the cost of bringing America’s infrastructure to a state of good repair (a grade of B) by 2020 at \$3.6 trillion, of which only 55 percent has been committed. State and local governments, the stewards of most of the country's public capital, should address these needs.



Roads

Funding gap - 50%
(\$846 billion)



Electricity

Funding gap - 15%
(\$107 billion)



Schools

Funding gap - 69%
(\$271 billion)



Parks & Rec

Funding gap - 44%
(\$104 billion)



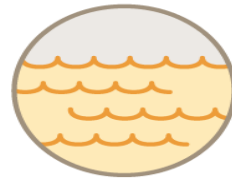
Airports

Funding gap - 29%
(\$39 billion)



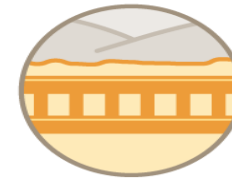
Dams/Levees

Funding gap - 79%
(\$103 billion)



Water/Sewer

Funding gap - 67%
(\$84 billion)



Rail

Funding gap - 11%
(\$11 billion)



Waste

Funding gap - 82%
(\$46 billion)

Source: American Society of Civil Engineers 2013 Report Card for American Infrastructure and Failure to Act series, published 2011-2013

Economic Competitiveness

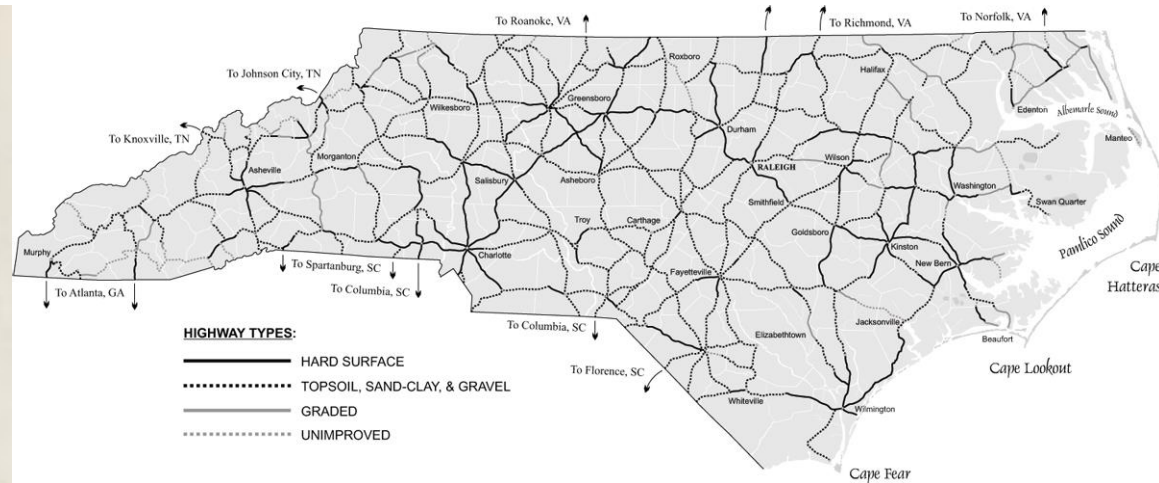
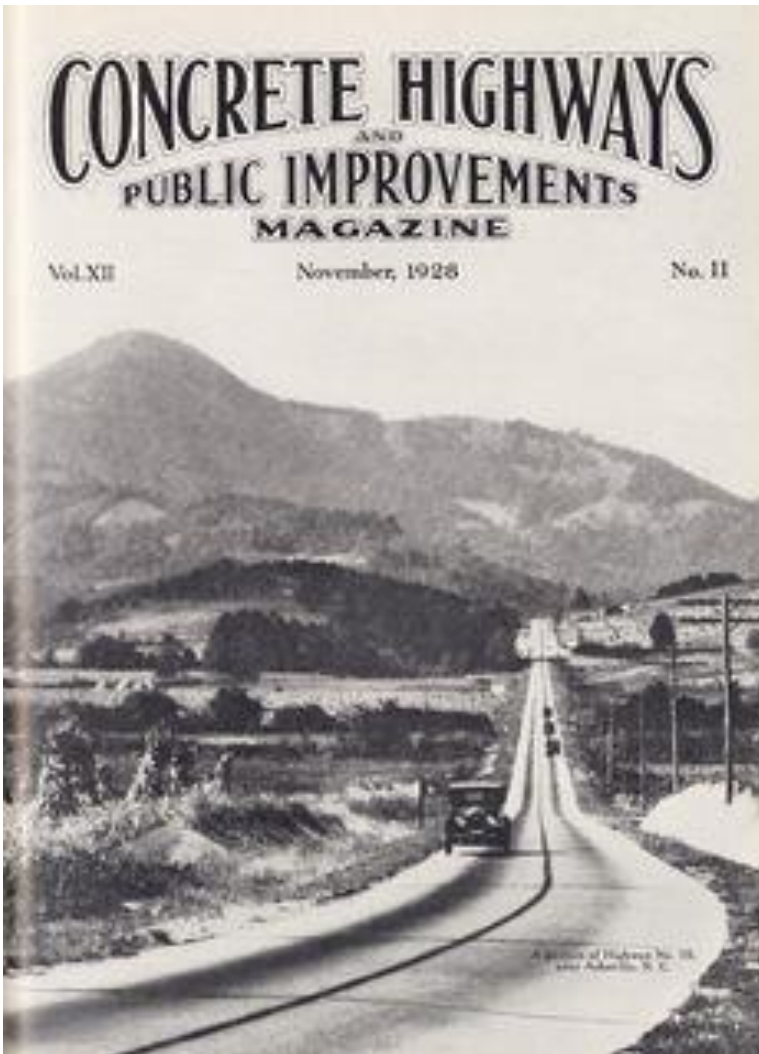


**“If you don’t have a
competitive advantage,
don’t compete.”**

JACK WELCH
legendary CEO



“Historical evidence suggests that the astonishing economic development that the United States experienced over the past two centuries was made possible by the high quality infrastructure the nation had the foresight to invest in.”



Top Factors for Companies Considering New Investment

- 1) Availability of skilled labor
- 2) **Highway accessibility**
- 3) Quality of Life
- 4) Occupancy or construction costs
- 5) Availability buildings
- 6) Labor costs
- 7) Corporate tax rate
- 8) Proximity to major markets
- 9) State & Local Incentives
- 10) Energy availability and costs
- 11) Tax exemptions
- 12) Expedited or “fast track” permitting



(Corporate CEOs)

Top Factors for Companies Considering New Investment

- 1) Availability of skilled labor
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- 4) State & Local Incentives
- 5) Availability buildings
- 6) **Highway accessibility**
- 7) Available land
- 8) Tax exemptions
- 9) Expedited or “fast track” permitting
- 10) Shipping costs
- 11) Accessibility of a major airport
- 12) Energy availability and costs



Site Selection Consultants

Global CEO Survey: Drivers of Global Manufacturing Competitiveness





Opp nity

Opportunity

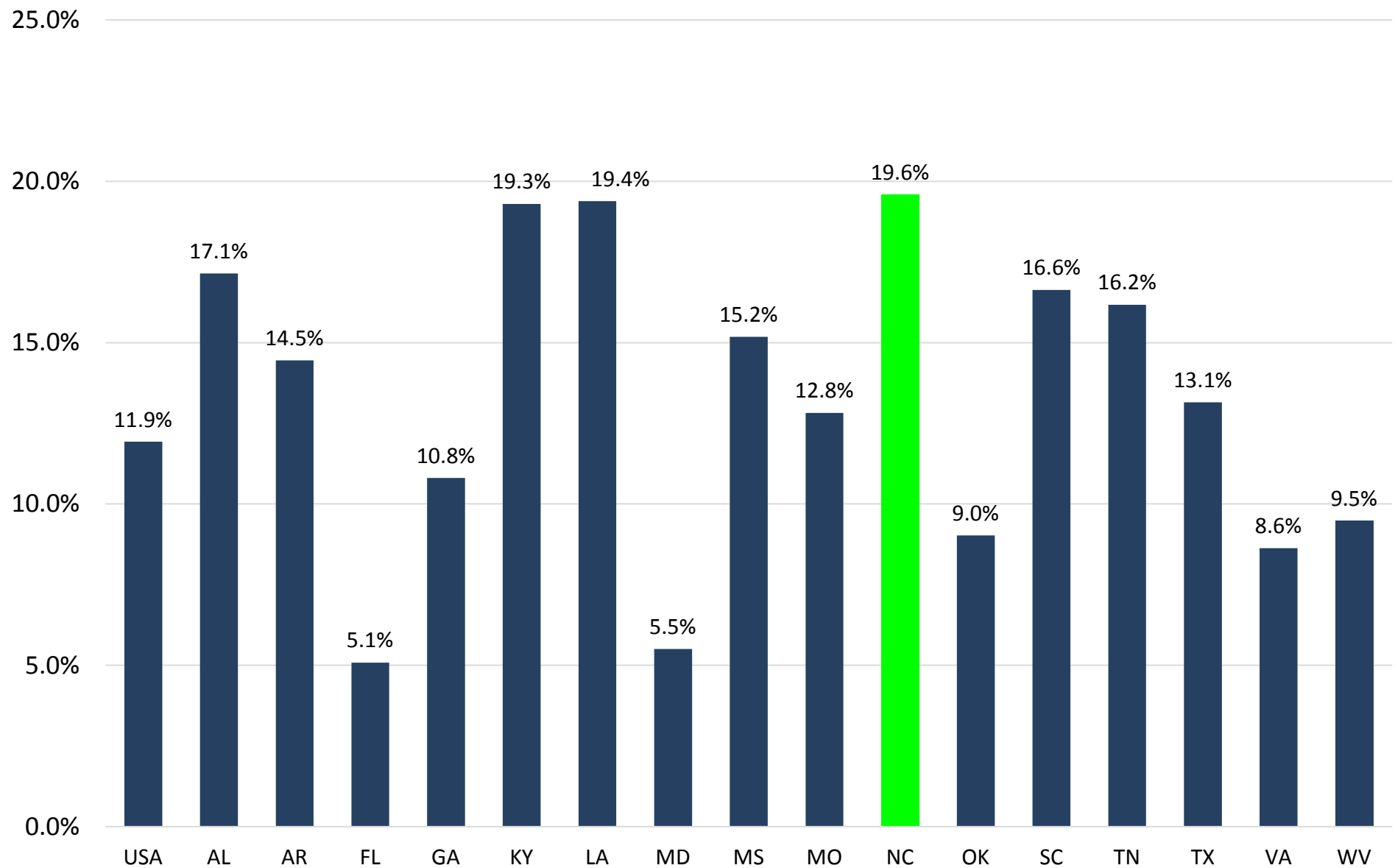
A New Blueprint – Making the American South's Manufacturing Sector More Competitive by 2030



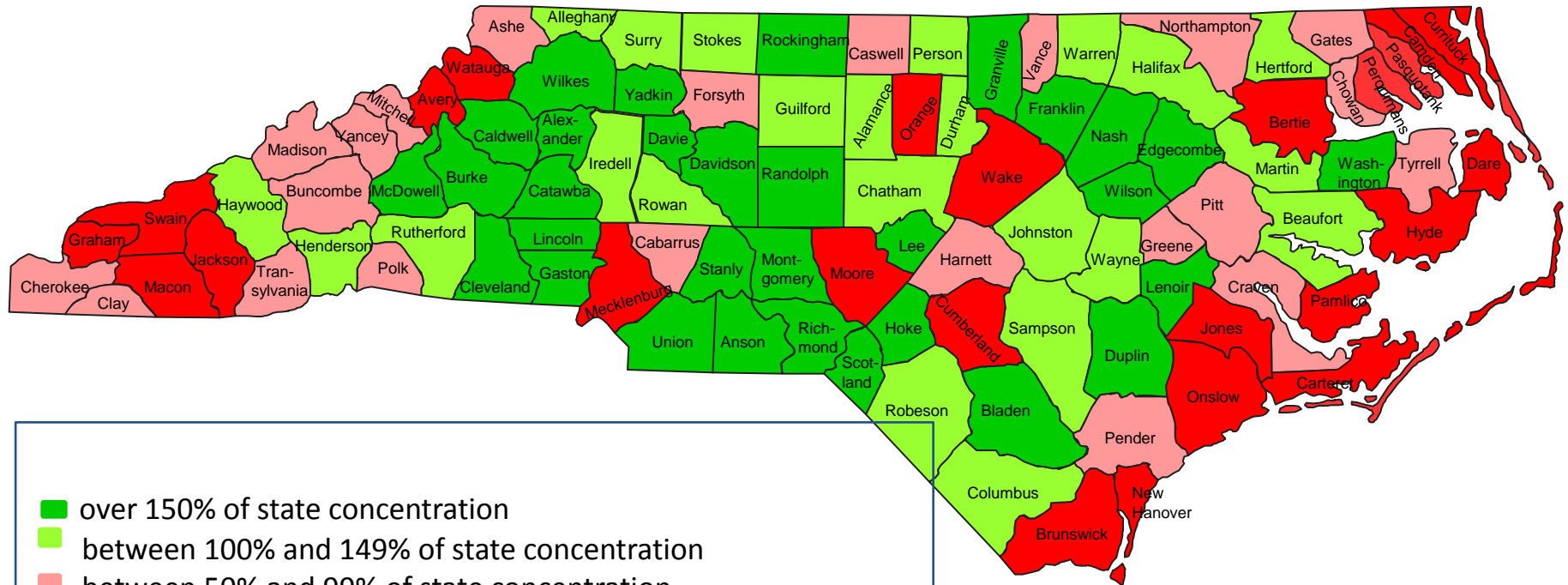
Foundation for the American South

September 2016

Southern States Manufacturing as a Share of GSP 2015



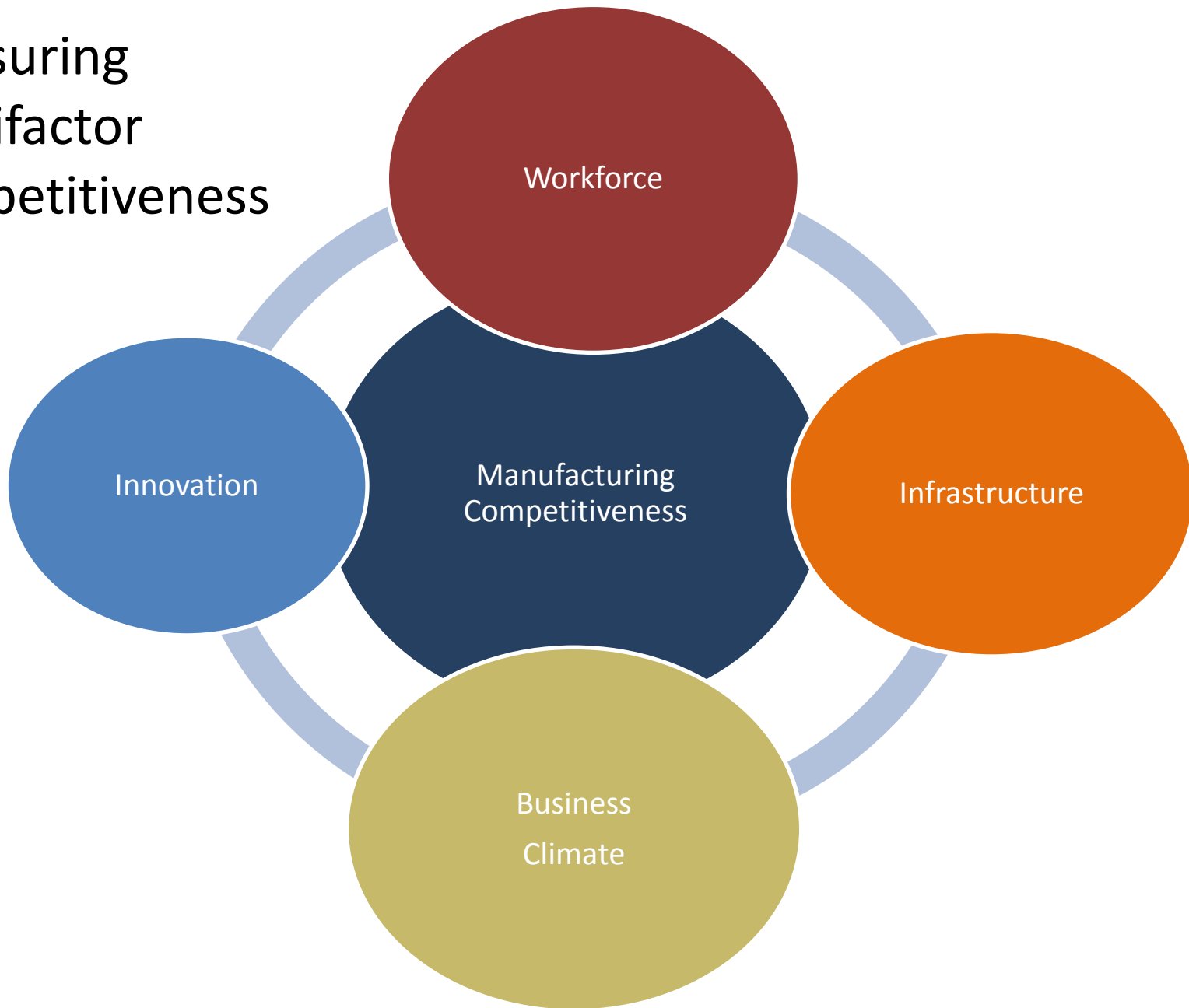
Concentration of County Jobs in Manufacturing



- over 150% of state concentration
- between 100% and 149% of state concentration
- between 50% and 99% of state concentration
- under 50% of state concentration

Manufacturing represents 11.21% of North Carolina jobs

Measuring Multifactor Competitiveness



Business Climate Index Metrics

Manufacturing Industry Health Scorecard	Worker's Comp Insurance Premiums
Hourly Minimum Wage	State and Local Tax Costs for Capital-Intensive Manufacturing
Total Effective Business Tax Rate	State and Local Tax Costs for Labor-Intensive Manufacturing
Legal Climate Rankings	Air Quality

Southern States Business Climate Index Performance

State	Average Rank	Business Climate Rank	State	Average Rank	Business Climate Rank
Virginia	15.0	2	Maryland	22.8	25
North Carolina	15.1	4	Tennessee	22.9	26
Missouri	18.0	8	South Carolina	25.4	30
Texas	18.3	10	Oklahoma	25.6	31
Georgia	18.4	11	Arkansas	27.0	33
Louisiana	20.1	18	Mississippi	28.5	36
Kentucky	21.4	21	Florida	30.1	39
Alabama	22.1	24	West Virginia	38.0	49

Infrastructure Index Metrics

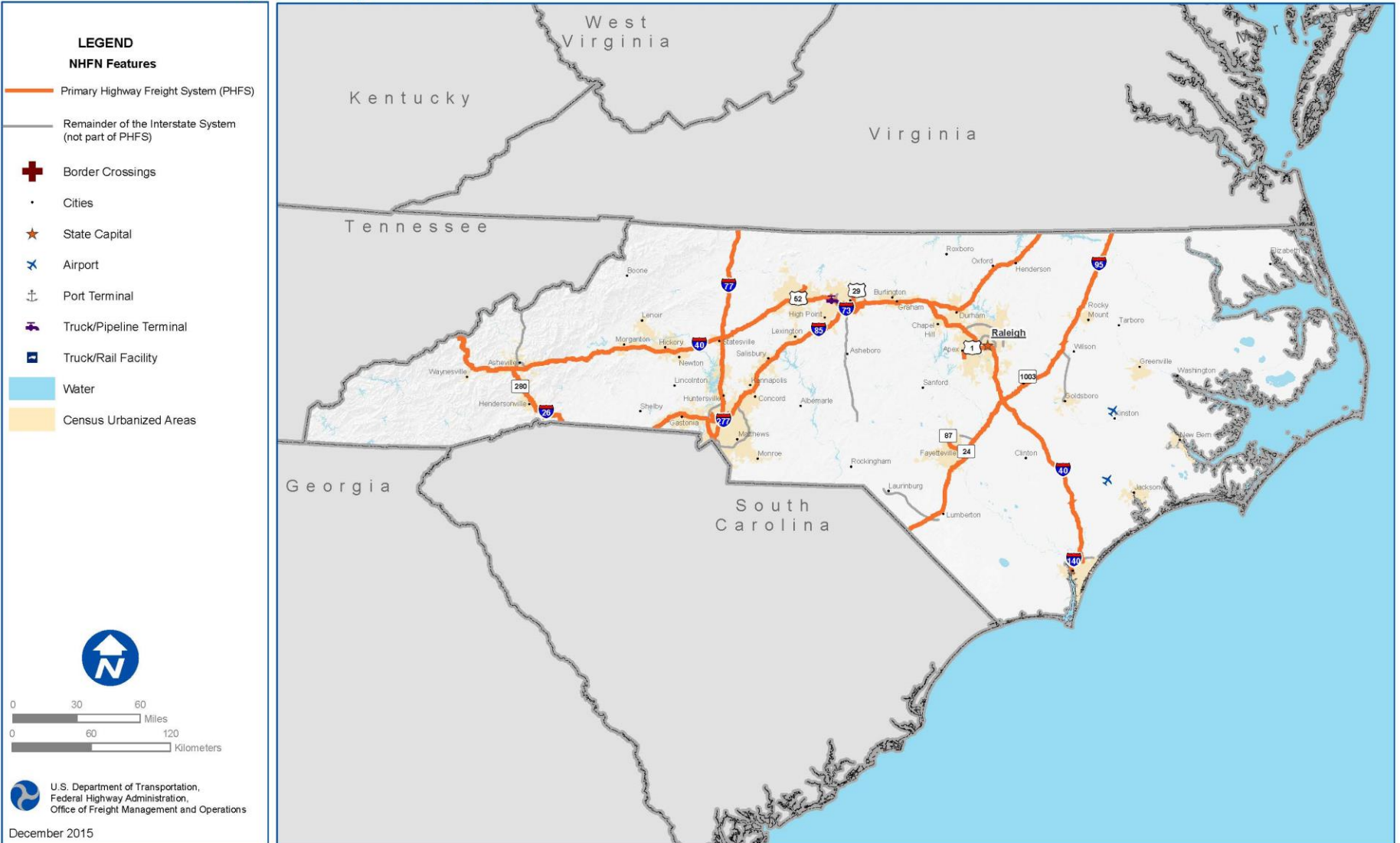
Total State Spending on Highways Per Capita	Growth in Freight Shipments- Millions of Dollars
Average Retail Electricity Price for Industrial Customers	Miles of Interstate Highways Per 10,000 People
Percentage of Structurally Deficient Bridges	Average Retail Natural Gas Price for Industrial Customers
Growth in Freight Shipments - tons	State Transportation Expenditures as Percentage of Total Expenditures

Southern States Infrastructure Index Performance

State	Average Rank	Infrastructure Rank	State	Average Rank	Infrastructure Rank
Texas	14.0	3	Alabama	24.9	24
Oklahoma	18.1	6	North Carolina	27.8	33
Kentucky	19.8	9	Florida	28.0	35
Virginia	20.9	13	Georgia	28.4	36
Louisiana	22.6	16	Maryland	29.3	37
Mississippi	22.6	16	Tennessee	31.1	41
West Virginia	23.3	19	South Carolina	32.0	43
Arkansas	24.0	21	Missouri	33.1	44

The Movement of Goods

National Highway Freight Network: North Carolina



The Next Big Things-Technological





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*"Leadership and learning are
indispensable to each other."*

John F. Kennedy

